

REMARKS

The Office Action mailed August 10, 2005, has been carefully considered. In response thereto, the Applicant respectfully submits that the application as amended is in condition for allowance. Accordingly, reconsideration and withdrawal of the Office Action and issuance of a Notice of Allowance are respectfully solicited.

At the outset, the Applicant acknowledges with appreciation the indication of allowable subject matter in claim 50.

The Applicant respectfully submits that the present Amendment overcomes the objection to claims 26-29.

The Applicant respectfully traverses the rejection of claims 1-49 and 51 under 35 U.S.C. § 103(a) over *Slavin et al* in view of *Davis et al*. For the reasons set forth below, the Applicant respectfully submits that the combination of references proposed in the Office Action would not have resulted in the present claimed invention.

Davis et al teaches a transaction system which allows a user to make payments using an integrated circuit device or “stored value card” 20. The card can be used with a load value terminal 30 for loading value, a point of sale terminal 40 for making purchases at a retail store, and a vending machine terminal 50 for buying items 52 dispensed from the vending machine terminal.

The combination of references proposed in the Office Action would have resulted in the present claimed invention. Instead, if a person having ordinary skill in the art had combined the references, the result would be a system in which a user uses the vending machine terminal of *Davis et al* to buy the prepackaged transponders of *Slavin et al*. Such a system would not be the same as the present claimed invention.

While the Office Action alleges that *Davis et. al* teaches providing a stored value of the user-selected good/service, it appears to the Applicant that the vending machine terminal of that reference functions just like any other vending machine in that regard, except that it accepts payment through the stored value card. That is, the transfer of value is between the card and the terminal, not between the terminal and the item to be dispensed.

Therefore, the Applicant respectfully submits that the present claimed invention would not have been obvious over the combination of references proposed in the Office Action.

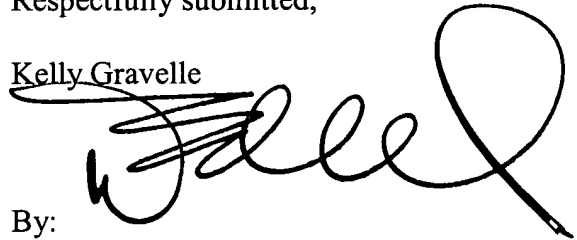
For the reasons set forth above, the Applicant respectfully submits that the application as amended is in condition for allowance. Notice of such allowance is earnestly solicited.

In the event there are any questions relating to this Amendment or the application in general, it would be appreciated if the Examiner would telephone the undersigned concerning such questions so that prosecution of this application may be expedited.

Please charge any shortage of fees, or credit any overpayment thereof, to BLANK ROME LLP, Deposit Account No. 23-2185 (114944-00434). In the event that a petition for an extension of time is required to be submitted herewith and in the event that a separate petition does not accompany this Amendment or is insufficient to render this Amendment timely, the Applicant hereby petitions under 37 C.F.R. § 1.136(a) for an extension of time for as many months as are required to render this submission timely. Any fee due is authorized above.

Respectfully submitted,

Kelly Gravelle

A handwritten signature in black ink, appearing to read 'D. Edmondson', with a large loop at the end.

By:
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